

RICHFIELD OIL CORPORATION
Richfield Building
Los Angeles 17
California

May 3, 1963

CERTIFIED MAIL

Harl S. Phelps and
Helen C. Phelps
938-C South Orange Grove Avenue
Pasadena, California

Re: Exercise of Option to
Acquire Operating Agreement

Dear Sir and Madam:

Reference is made to that certain Agreement dated May 11, 1960, hereinafter referred to as "said Agreement", wherein Harl S. Phelps and Helen C. Phelps, his wife, are "First Party", and RICHFIELD OIL CORPORATION, a Delaware corporation, is "Second Party", concerning certain lands situated in Eureka County, Nevada, covered by United States Oil and Gas Lease Serial Number Nevada 019191, hereinafter referred to as "said lease", which lands are described in said lease and said agreement, reference to said instruments being hereby made for further particulars.

Said agreement in paragraph 3 thereof provides as follows:

"3. First Party does hereby give and grant unto Second Party, his successors and assigns, the further sole and exclusive right, privilege and option of purchasing and acquiring the sole and exclusive right of possession of said lands, or any part thereof, together with the full right and lawful authority to enter thereon for the purpose of exploring, drilling, mining, developing and operating said lands for oil and gas purposes, and producing, treating, handling and marketing all and any such minerals produced therefrom from the date of exercise of said option and thereafter for the full term of said lease, in so far as it covers said lands"

Said agreement in paragraph 4 thereof provides in part as follows:

"4. Upon the exercise of the option contained in paragraph 3 hereof, this agreement shall be considered and construed as, and shall automatically become, an operating agreement between First Party and Second Party:*****. Any such operating agreement shall transfer and convey from First Party to Second Party, and First Party upon the exercise by Second Party of the option contained in paragraph 3 hereof, and upon the issuance of said lease, does hereby transfer and convey unto Second party all of the rights, privileges, benefits, interests and possession specifically set forth under paragraph 3 hereof in and to that portion of said lands as to which such option is exercised".

YOU ARE HEREBY NOTIFIED that Richfield Oil Corporation intends to and does hereby exercise

*See Book 7 of Official Records,
Page 599 for Quitclaim*

the option contained in paragraph 3 of said agreement as to all of the lands hereinabove referred to located in Eureka County, Nevada, described as follows:

T. 21 N., R. 54E., M.D.M., Nevada

Sec 3: All
 Sec 4: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$,
 NW $\frac{1}{4}$ NW $\frac{1}{4}$
 Sec 5: All
 Sec 6: All

containing 2,518.84 acres, mor or less, and YOU ARE HEREBY FURTHER NOTIFIED that Richfield Oil Corporation intends to acquire and by this notice of exercise of option does acquire an operating agreement covering said lease. Said agreement upon this exercise of option has automatically become an operating agreement between and Richfield Oil Corporation.

Richfield Oil Corporation herewith hands you its check number 95138 in the sum of Two Hundred fifty-One and 89/100 Dollars (\$251.89) due you pursuant to paragraph 5 of said agreement upon this exercise of option.

Very truly yours,

RICHFIELD OIL CORPORATION
 RICHFIELD OIL CORPORATION

By G. R. Shepphird
 Its Attorney in Fact

By _____
 Assistant Secretary

Calif-Atty-in-Fact

STATE OF CALIFORNIA)
) SS.
 COUNTY OF LOS ANGELES)

On this 3rd day of May, in the year 1963, before me, Sue M. Mason, a Notary Public in and for said County and State, residing therein, duly commissioned, and sworn, personally appeared G. R. SHEPPHIRD, known to me to be the person whose name is subscribed to the within instrument as the Attorney-in-Fact of RICHFIELD OIL CORPORATION thereto as principal and his own name as Attorney-in-Fact.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Sue M. Mason
 Notary Public in and for said County
 and State Sue M. Mason

My Commission expires: May 4, 1964

RECORDED AT THE REQUEST OF Richfield Oil Corporation June 10 A.D. 1963 At 16 minutes past 8 A.M.

Willis A. DePaoli - Recorder
 By Helen E. Halstead - Deputy